

# **Four year Delivery Program and Operational Plan & Budget FY18/19**

Draft April 2018

**Rik Hart**  
General Manager

21 May 2018

 **INNER WEST COUNCIL**



# 4 year resource commitment

- Business as usual - pre-amalgamation service levels maintained but harmonised over time
- Infrastructure renewal program maintained
- Efficiencies and increased revenue opportunities will be investigated
- Application of new technology
- Increased community participatory engagement
- No outsourcing/privatisation of services
- No forced redundancy of staff



Delivery Program  
2018-2022

Draft April 2018





# Major projects completed over next 4 years



- Ashfield Aquatic Centre upgrade (above)
- Patyegarang Place, including Marrickville Library (above right)
- GreenWay
- Draft Inner West Local Environment Plan (LEP) and Development Control Plan (DCP)

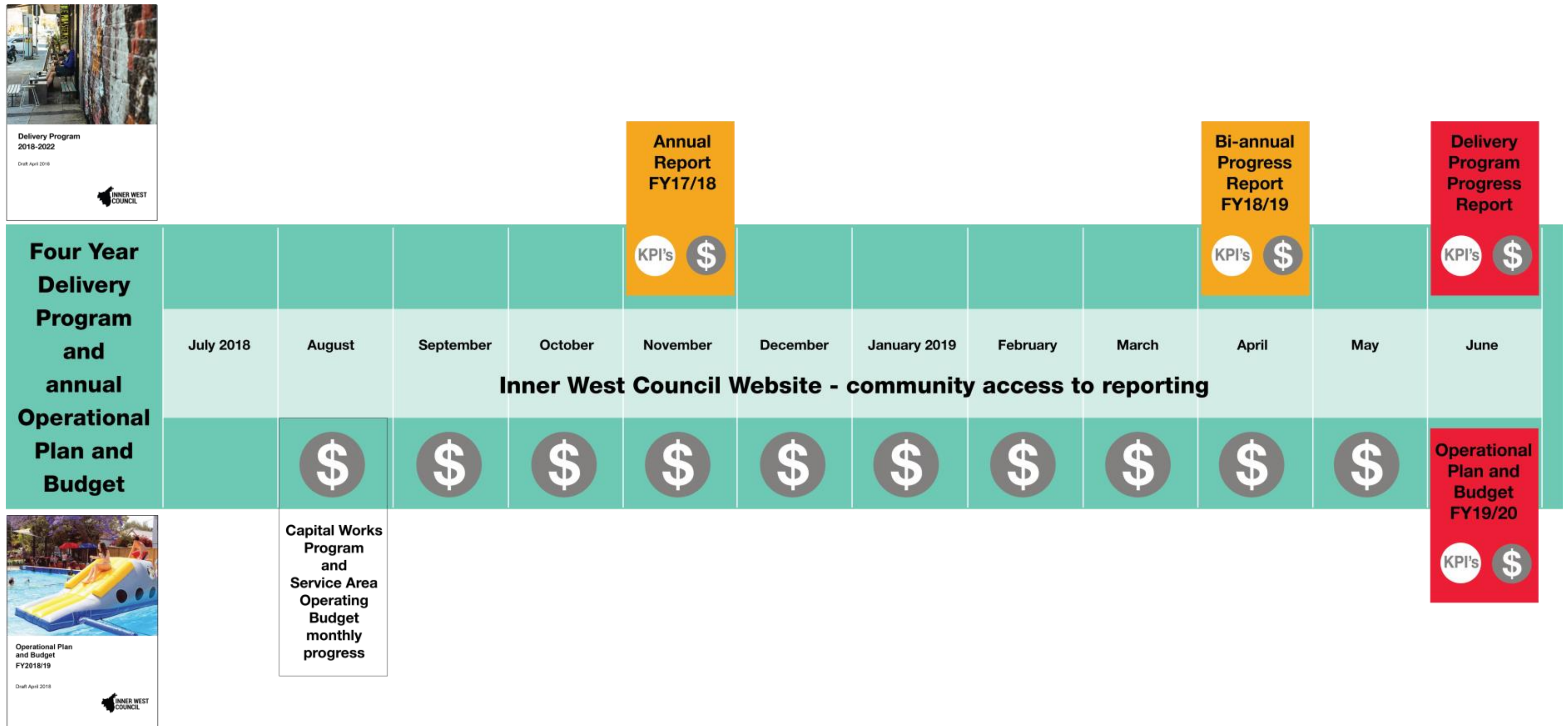


# Operational Plan and Budget - drivers and context

- Financial pressures due to depreciation
- \$5.5m of recurrent savings to fund initiatives such as LEP/DCP and staff salary harmonisation
- Funds identified through savings to support Council resolutions
- Transparent Service Area reporting
- Continued implementation of Technology One – One Council solution



# Keeping the community informed







# **2018/19 Budget**

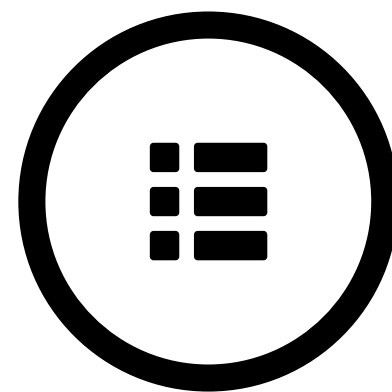
**Michael Tzimoulas**  
DGM Chief Financial  
and Administration Officer



**INNER WEST COUNCIL**



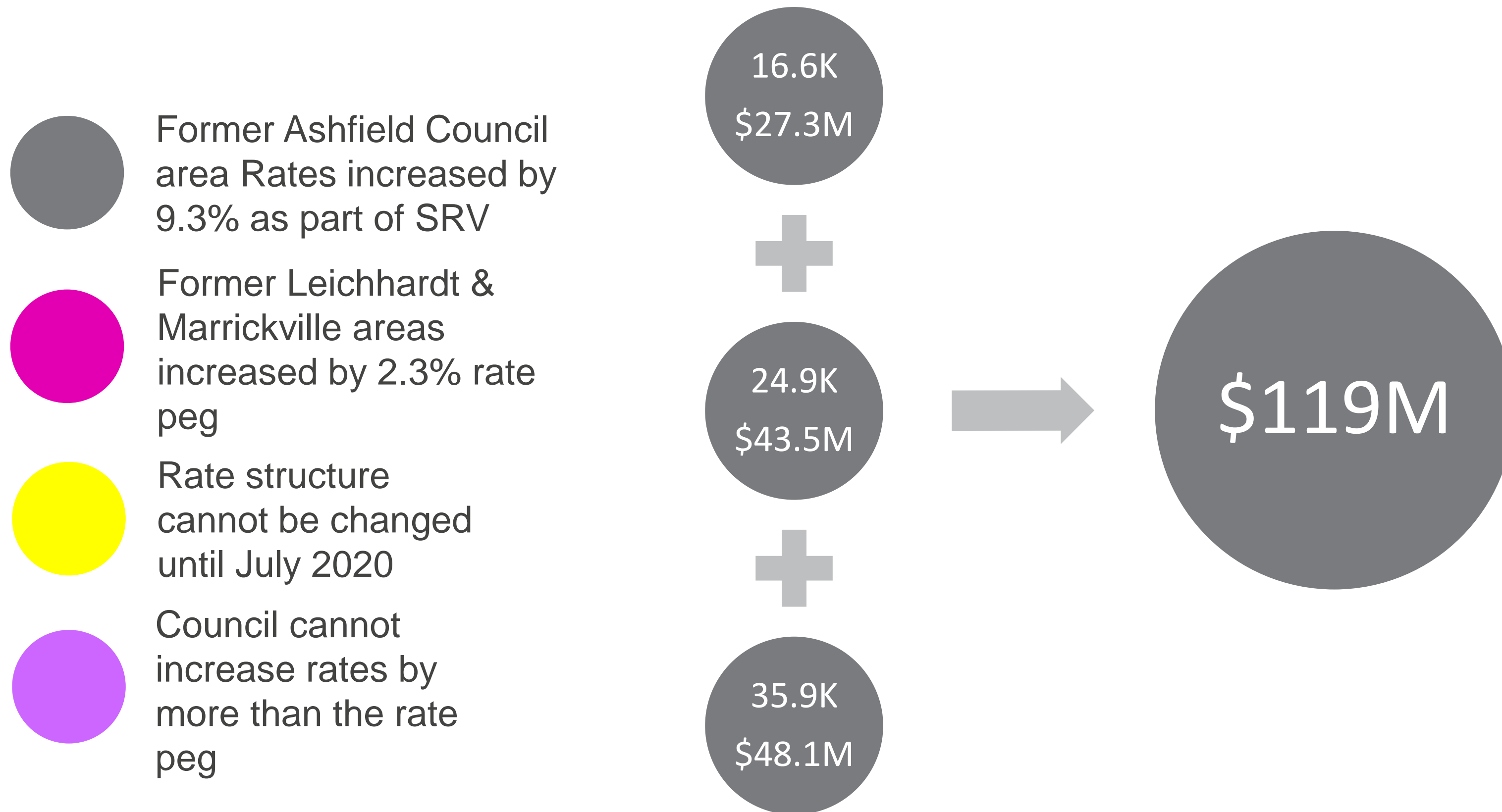
# Key Principles



- ✓ Council will continue to deliver the services that it always has
- ✓ Budget does not include making services the same across the LGA
- ✓ Council will live within its means
- ✓ Council budgets for total cost of service

# Budgeting for Rates

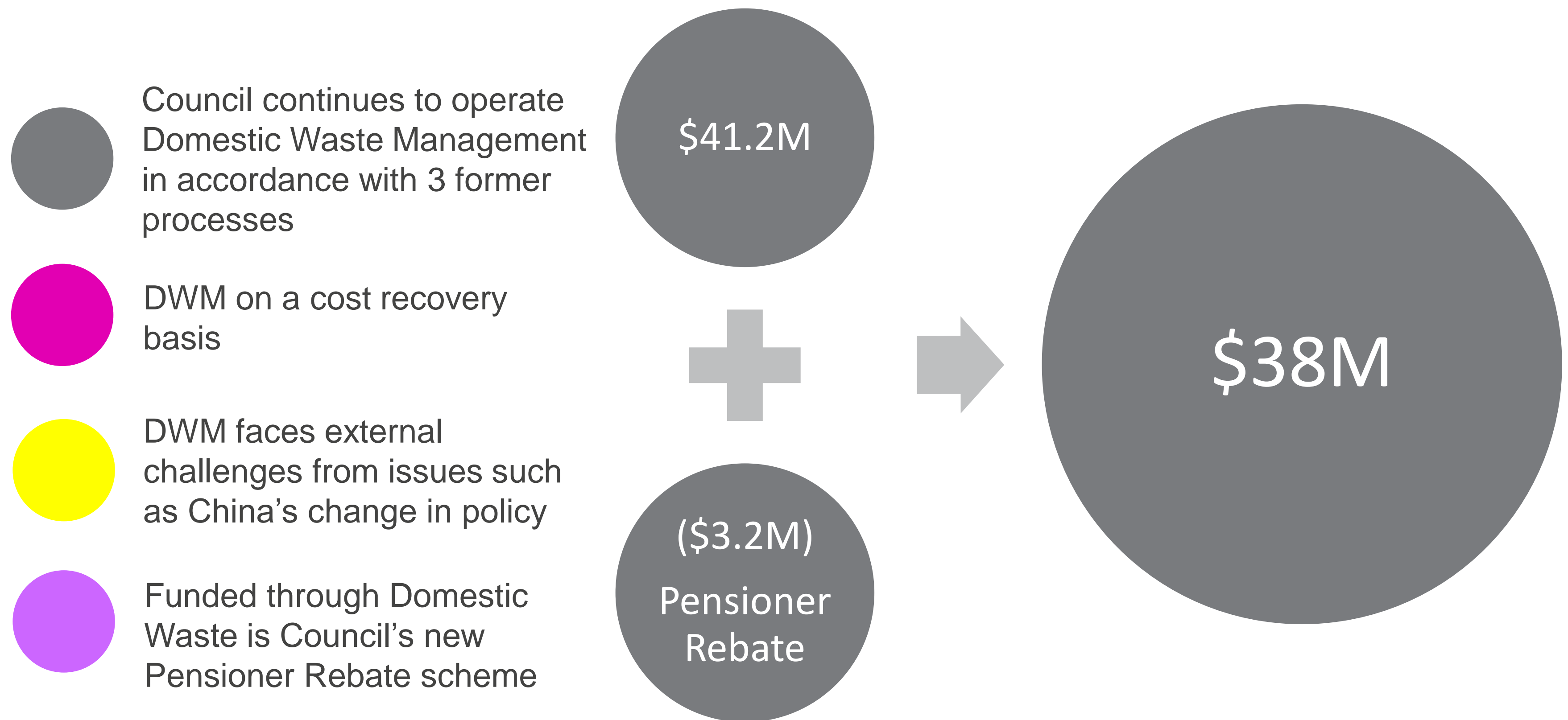
Rates are set in accordance with the Local Government Act





# Budgeting for Domestic Waste

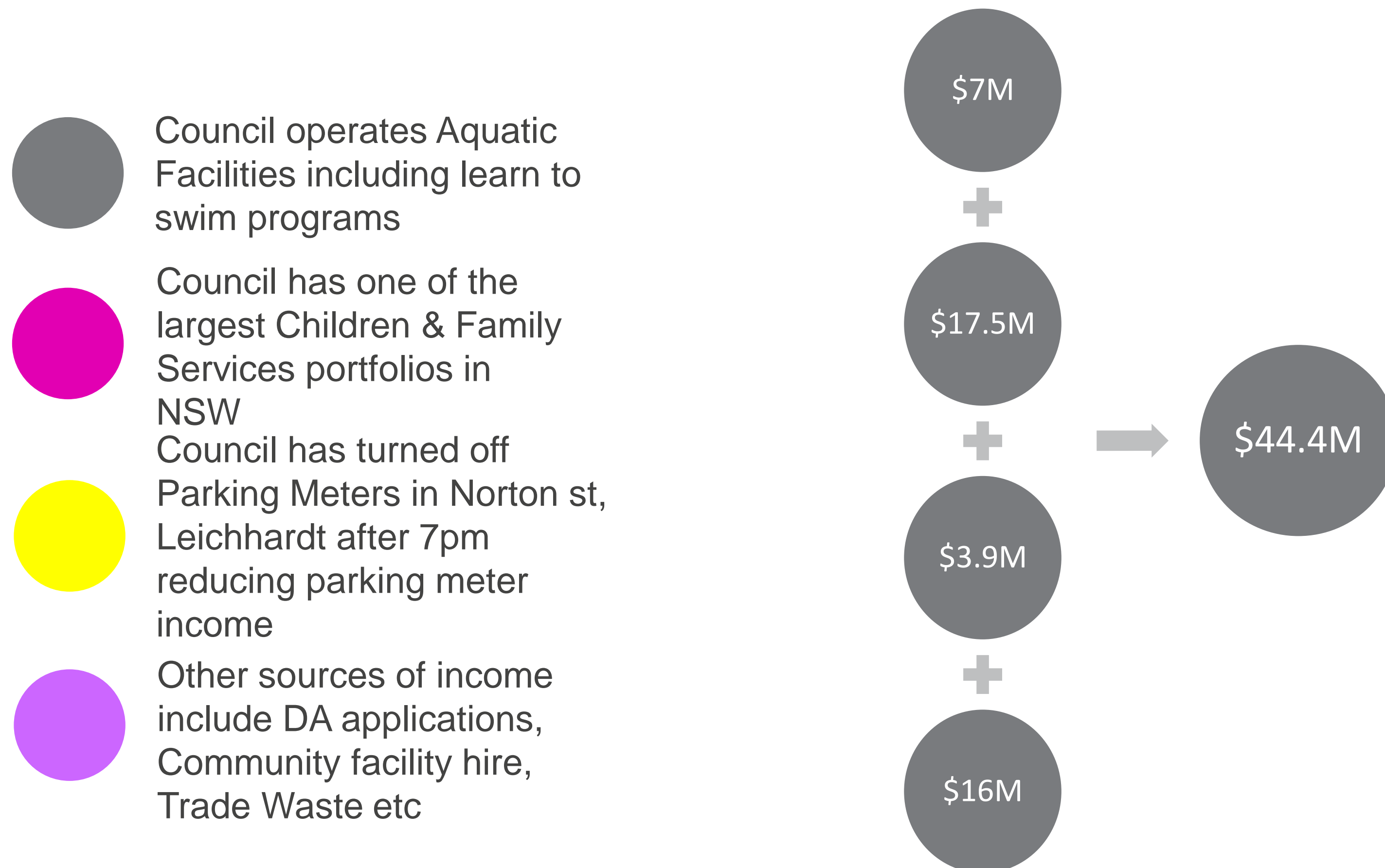
Domestic Waste Management cannot be levied above what it costs





# Budgeting for Fees & Charges

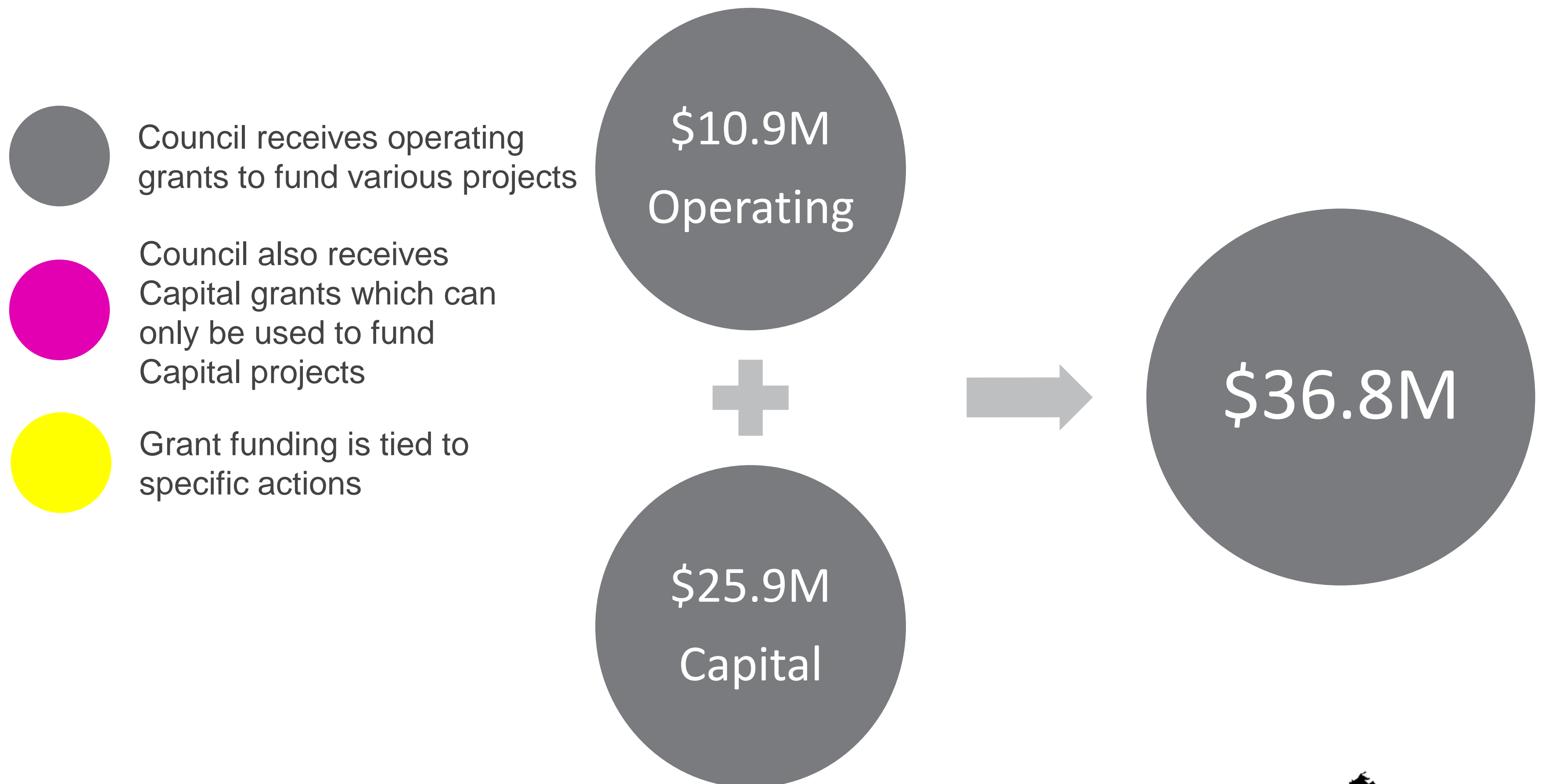
## Council charges for other ancillary services it provides





# Budgeting for Grant Funding

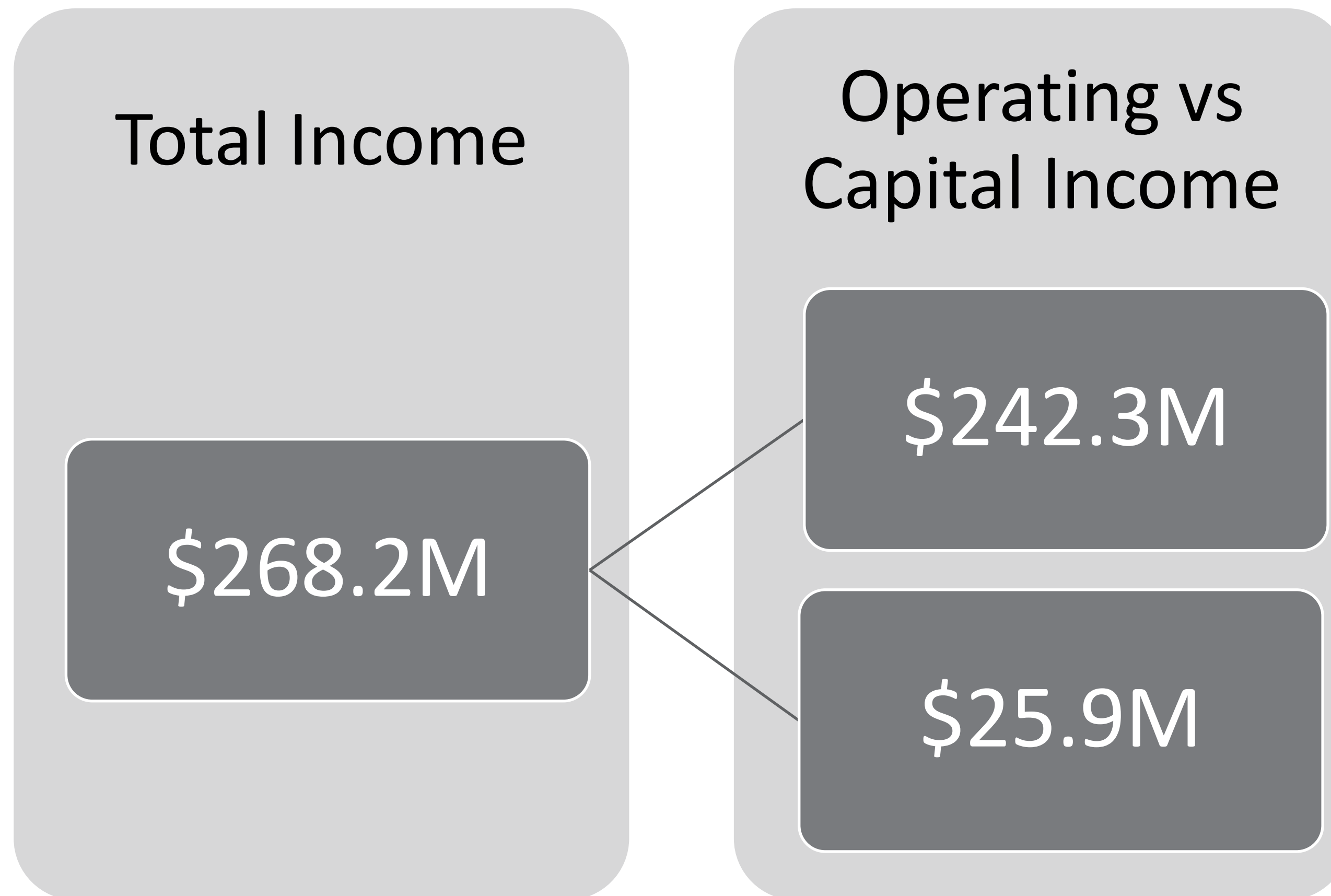
Council receives Grants from NSW State Government





# Budgeted Total Income

All these income sources are added together to total Council's available funds





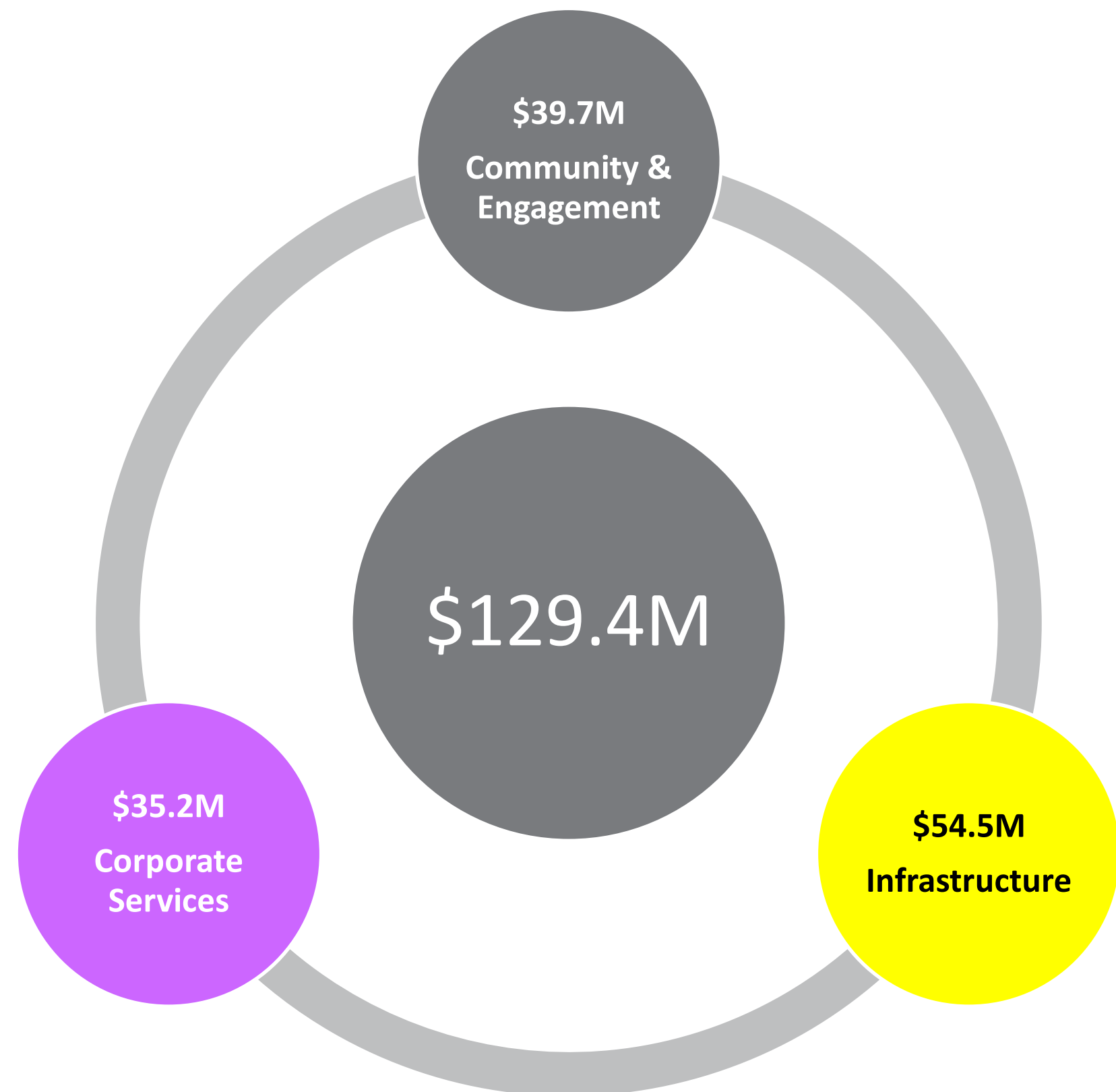
# Budgeting for Staff Costs

**Council resolved to maintain staff protections for 5 years from May 2016**

Community & Engagement includes: Children & Family Services; Community Events, Community Services & Culture; Library & History Services; Recreation & Aquatics; Strategic Planning.

Infrastructure includes: DA; Environment & Sustainability; Footpaths, Roads, Traffic & Stormwater; Regulatory Services; Resource Recovery; Trees, Parks & Sportfields.

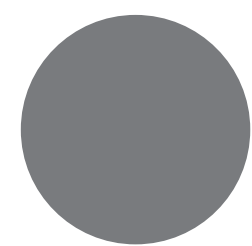
Corporate Services include: Finance; ICT; Risk & Insurances; Customer Service & Integration; Civic Governance; Human Resources; Procurement & Fleet; Facilities.



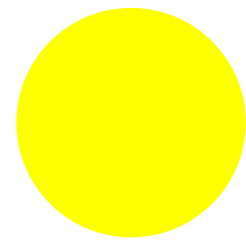


# Budgeting for Depreciation

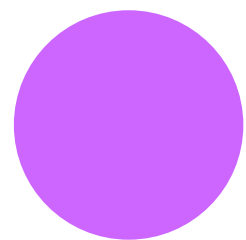
Depreciation is based on Council's actual asset register



Council is focused on maintaining its community assets



The budget assumes a 110% infrastructure renewal ratio



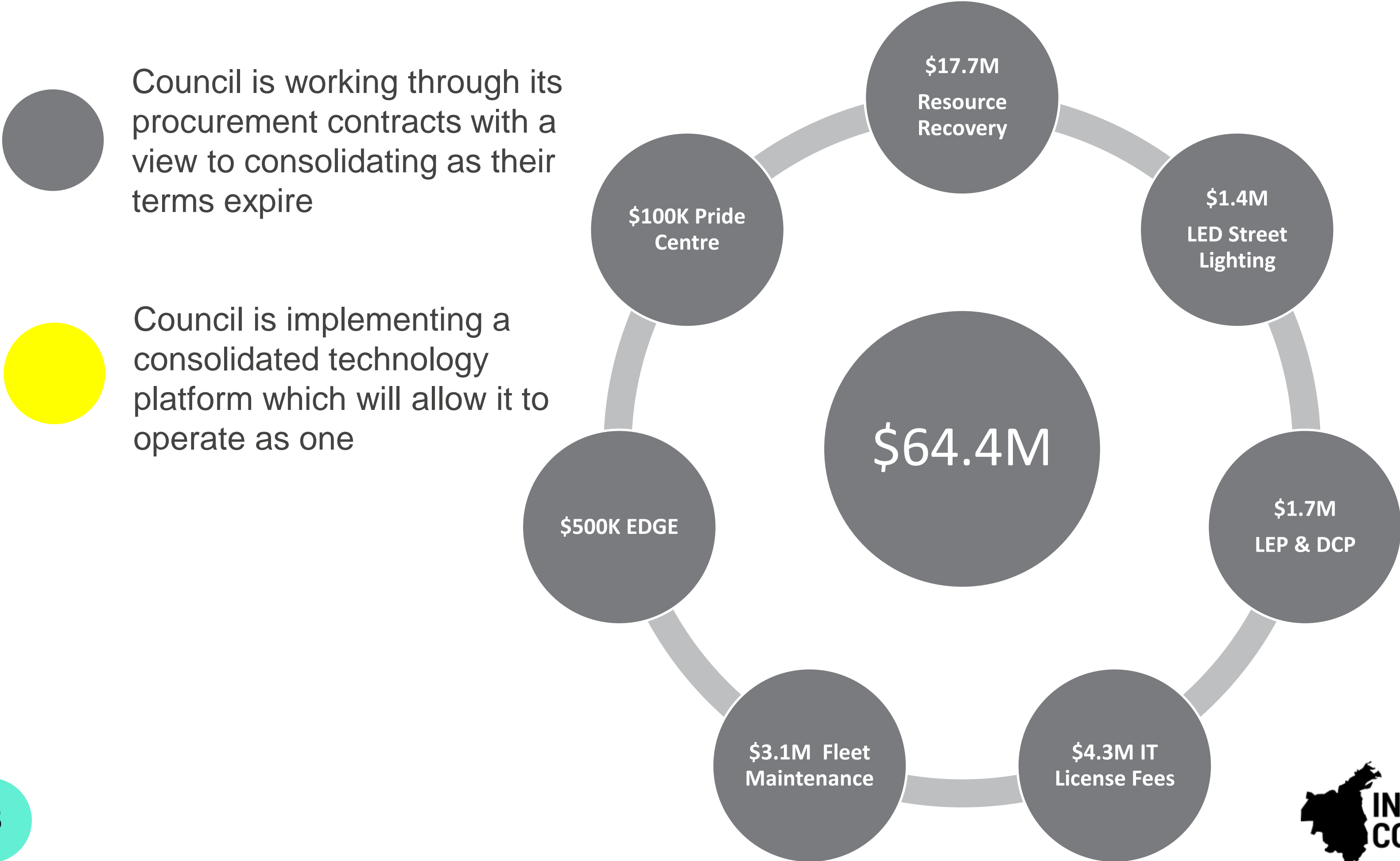
Council has inherited a large infrastructure backlog up to \$135M





# Budgeting for Materials & Contracts

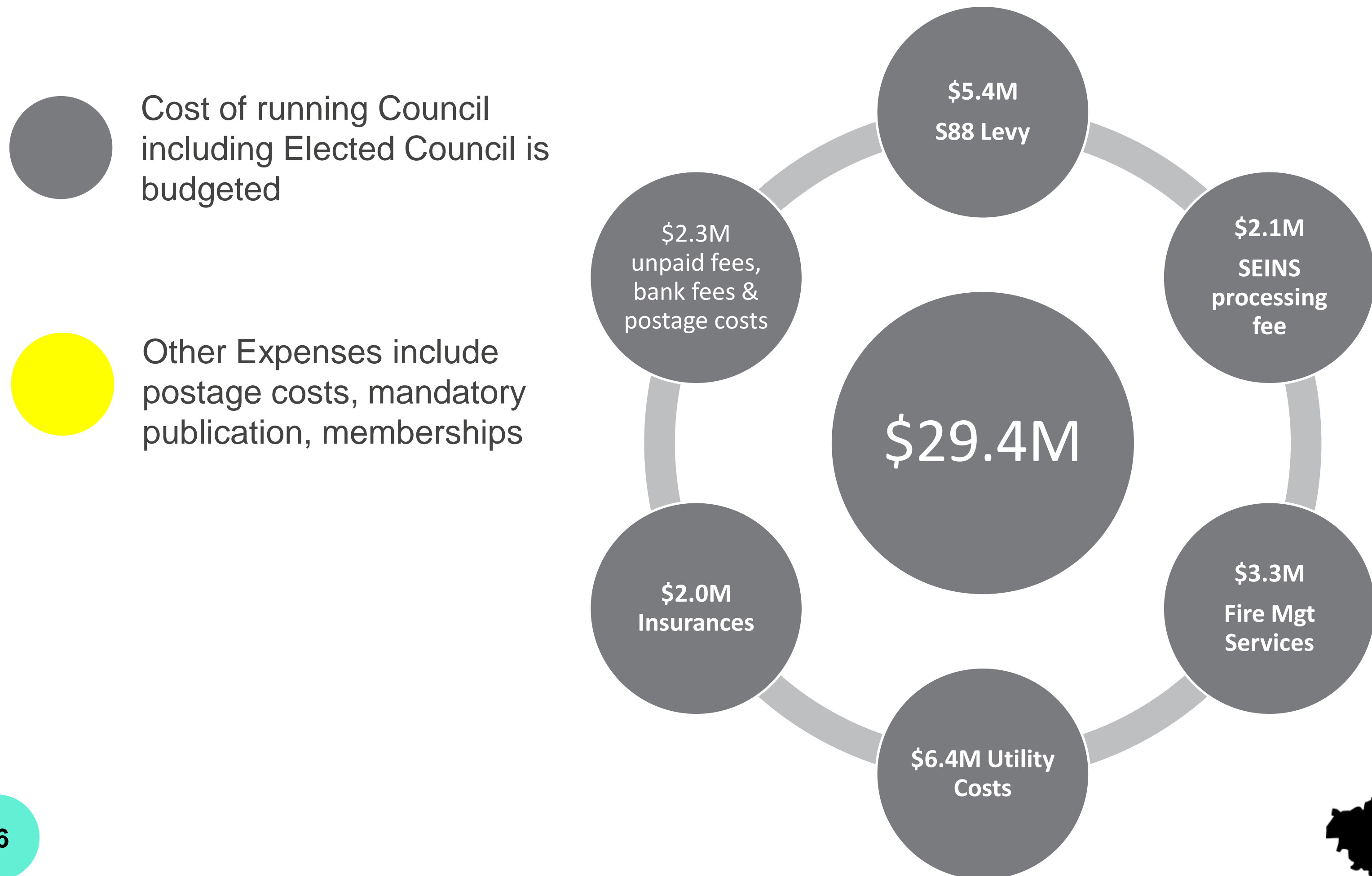
Council has contracts for various services including waste disposal cost





# Budgeting for Other Expenses

Other Expense include a myriad of fees including statutory costs and costs to run Council





# 2018/19 Budgeted Result

Operating budget – Inner West Council	2017/18 (\$'000)	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
<b>Income from Continuing Operations</b>					
Domestic Waste Charge	38,363	38,086	39,045	40,028	41,035
Rates and General Revenue	115,019	119,011	121,752	122,802	125,631
User Charges & Fees	43,701	44,429	49,354	51,714	53,631
Interest Income	5,041	5,167	5,295	5,427	5,561
Other Income	24,505	24,484	25,093	25,959	26,355
Operating Grants and Contributions	8,626	10,904	11,527	11,622	11,889
Capital Grants and Contributions	11,012	25,907	29,270	33,559	15,418
Profit or Loss on Disposal	(150)	182	199	200	200
<b>Total Income from Continuing Operations</b>	<b>246,116</b>	<b>268,169</b>	<b>281,536</b>	<b>291,311</b>	<b>279,721</b>
<b>Expenditure from Continuing Operations</b>					
Employee Costs	126,613	123,934	128,193	131,951	133,822
Borrowing Costs	904	1,207	1,468	1,197	1,001
Materials and Contractors	59,760	64,415	65,948	66,543	66,797
Depreciation & Amortisation	26,130	26,129	26,391	26,655	26,921
Other Expenses	28,060	29,449	30,300	30,665	31,459
<b>Total Expenses from Continuing Operations</b>	<b>241,466</b>	<b>245,134</b>	<b>252,300</b>	<b>257,011</b>	<b>260,000</b>
Surplus/(Deficit) from Continuing Operations	4,650	23,035	29,236	34,300	19,721
Surplus/(Deficit) from Excluding Capital Grants and Contributions	(6,212)	(3,053)	(234)	541	4,103



# IWC 4 Year Capital Works Program

Capital Program	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)	2021/22 (\$'000)
Corporate Support	17,617	16,228	17,069	12,364
Community Services	2,440	1,286	1,455	1,200
Trees, Parks and Sportsfields	22,541	18,349	13,668	11,955
Footpaths, Roads, Traffic and Stormwater	21,860	26,546	32,679	22,831
Recreation & Aquatic Services	14,231	19,800	4,008	5,404
Library & History Services	2,765	5,342	2,310	1,300
Children & Family Services	1,179	1,090	1,000	1,100
Environmental & Sustainability	60	-	-	-
<b>Total</b>	<b>82,693</b>	<b>88,641</b>	<b>72,189</b>	<b>56,155</b>
<b>Funding Sources</b>				
Operating Grants & Contributions	(460)	(1,115)	(950)	(950)
Capital Grants & Contributions	(16,225)	(19,768)	(23,916)	(4,536)
Sale of Assets	(3,682)	(3,758)	(4,619)	(2,811)
Restricted Capital	(39,016)	(43,971)	(20,632)	(25,216)
Restricted Developer Contributions	(21,167)	(17,975)	(20,548)	(21,248)
Working Capital	(2,142)	(2,053)	(1,524)	(1,395)
<b>Total</b>	<b>(82,692)</b>	<b>(88,641)</b>	<b>(72,189)</b>	<b>(56,155)</b>

## Sample Capital Works:

- Town Hall renewal works over 4 years (\$6M);
- Ashfield Pool over 2 years (\$30M+);
- Dawn Fraser renewal works (\$2.1M);
- Greenway over 4 years (\$24.3M);
- Lilyfield Cycleway (\$1.5M);
- Waterfront Drive (\$1.4M);
- Arthur st Road Reconstruction (\$0.85M);
- Ashfield Town Centre Upgrade (\$1.4M).

# IWC 4 Year Capital Works Program

<https://www.innerwest.nsw.gov.au/development-works/capital-works-monthly-reporting>

## Footpaths, Roads, Traffic and Stormwater - February 2018

Capital Program Footpaths, Roads, Traffic and Stormwater	2017/18 Budget (\$'000)	Actual (\$'000)	% Spent	Forecasted Year End Expenditure (\$'000)	Project Status	Commentary	2018/19 (\$'000)	2019/20 (\$'000)	2020/21 (\$'000)
Road Renewal Arthur St - Road Reconstruction (Holden St to Milton St)	250	2	3%	50	●	Concept design endorsed by Council, Feb 2018 Detailed design due for completion April. Construction scheduled in FY 2018/19.	850	-	-
Denman Ave Traffic Works	61	4	4%	111	●	Designs completed for Pedestrian crossing upgrade. Construction scheduled April.	80	-	-
Blackmore Oval Wetland Stormwater Upgrade	590	14	2%	590	●	Design and tender process completed. Construction scheduled to commence April.	-	-	-
Mvle Valley FRMSP Works	-	-	-	-		No works for current year.	-	100	-
Booth Street Bridge - Investigation Design and Replacement	490	77	39%	200	●	Concept completed. Initial tender process unsuccessful in securing design consultant. Re-Tendering for detailed design in progress. Construction scheduled 2018/19	840	-	-
Lilyfield Road Cycleways	1,875	60	16%	375	●	Concept proposals to be reviewed following public exhibition.	2,500	1,375	-
Bike Route RR (Longport St to Eliza St) Construction	-	-	-	-	●	Detailed design due for completion by the end of June.	-	2,000	3,500
Ashfield Town Centre Upgrade	6,255	2,422	39%	6,255	●	Stg 1 Construction currently in progress and scheduled for completion by the end of June.	295	1,000	-
Marrickville Rd Centre Design and Implementation	100	-	-	50	●	Public Domain Master plan currently being finalised. Tender to be initiated for concept design by June 2018. Detailed design to be completed in 18/19.	200	600	1,000
Annandale Main street outside Post Office	230	2	1%	230	●	Streetscape enhancement works scheduled to commence in April.	-	-	-



# Thank you



## Any questions?

# 2018/19 Budgeted Result

Excluding Capital Grants, Council will run a funded deficit of \$3M which is driven by the reduction in revenue due to the closure of Ashfield Pool & Integration costs funded by the New Council Implementation Fund received in 2015/16

